Notes from the Consumer Financial Services Committee June 17, 2003

Next Meeting When	Next Meeting Where
Thursday	
June 26	Hudson Cook, LLP
2:00 PM	2361 Rosecrans Ave., Suite 355
Conference Call-In	El Segundo, CA 90245
620-584-8200	Telephone 310-536-9099
PIN 5449#	

Our May 22nd meeting was attended via telephone conference by Committee members, Mary Price, Elise Ross, Alicia Tortarolo, Scott Palmer and Elizabeth Huber. Our June 26th meeting will be our last meeting before summer break, so it is extremely important that each member make an effort to attend for pre-planning purposes. That way, we can roll right into September's planned events.

Membership: And the winner of our Membership Drive competition is Roland Reynolds! Roland and guest will enjoy a free lunch at the restaurant of his choice. Roland brought Scott Palmer to our committee. We still need to work on building membership – our No. 1 objective – please keep your efforts in gear. A copy of an email from the State Bar, along with a copy of the application, are enclosed.

Enclosed is the current Committee Roster. Note that, according to the Executive Committee, Scott is actually a member of the Class of 2006. Also, Mike Love is unable to join as a committee member at this time, but would like to remain on our "interested persons" list, and we're glad to have him stay interested. We plan to post our Membership list (names, affiliations and cities only) on the CFSC website. *If you do not want your name up, call your chair*.

Privacy: The California Law Revision Commission met on June 6th at the Burbank Hilton Airport Hotel. Your chair attended the meeting and informed the Commission members about the efforts of "financial institutions" to implement the federal "Safeguards Rule" and the ongoing efforts to implement the "know your customer" procedures mandated by the USA Patriot Act § 326 and regulations. The Commission members discussed whether a proposed California privacy law should be effected through state regulatory agencies or through a special office, such as the Office of Privacy Protection of the California Department of Consumer Affairs. The Commission also recognized that a requirement to send California consumers a California privacy notice would not mean that these consumers need not be sent the federal privacy notice. Our Committee has been recruited to help identify all existing laws and regulations in California that would be impacted by, or impact upon, or conflict with, a new privacy law. If you are interested in working on this project please let us know. For more information on the status of SB 1 and other pending privacy bills, see the enclosed memo. Also, the on-going litigation over the local privacy ordinances is reported in a copy of a June 3 newspaper article, enclosed.

Federal Preemption: The Senate and Assembly Banking Committees held a Joint Hearing on Wednesday, May 21, 2003 in Sacramento on "Federal Preemption: The Impact on California Financial Institutions and Consumers." If you would like a copy of the materials that were

HC/41569 - 1 -

handed out, please notify your chair. Testimony was given by: Attorney General Bill Lockyer, Department of Financial Institutions Commissioner Don Meyer, Department of Corporations Commissioner Boutris, business and economics professors from Georgetown, McGeorge/Univ. of Pacific and UC Berkeley, a representative from the Conference of State Bank Supervisors, and speakers from the California Public Interest Research Group. Representatives from the banks, the Office of Thrift Supervision, and the Comptroller of the Currency did not attend.

Pending California Legislation: June 6th was the last day for bills to be passed out of the house of origin. Some of the legislation we had been watching (very little in fact) failed to make it, and most of the pending bills we have been following have passed their house of origin and have been assigned to committees. See the enclosed memo addressed to [CCCC Publications]; the discussion of pending legislation starts on page 5.

Roll-Out of Federal "Do-Not-Call" Registry: The Federal Trade Commission recently announced that registration for the national "Do-Not-Call" Registry will become available to consumers during July. Online registration will be available on or around July 1st; telephone registration will open for consumers in states west of the Mississippi River, including Minnesota and Louisiana, starting on July 1st. Telephone registration will be available for the rest of the country starting on July 7th.

Spam on Toast and Other Tasty Bits: David E. Sorkin's summary of "spam" laws, by state, is enclosed. Also, the current U.S. Supreme Court Docket reveals several cases that could affect consumer financial services litigation around the U.S. (enclosed).

Affirmative Legislative Proposals of BLS Standing Committees: The Business Law Section Executive Committee has several standing committee affirmative legislative proposals on their June 20th meeting agenda. If you are interested in receiving copies of any of these, please let us know. (1) Proposed adoption of the (revised) Uniform Limited Partnership Act (PLLC); (2) Proposal to move the "badges of fraud" relevant to the fraudulent transfer law from the comments to the statute (ILC); (3) Proposal to amend Corps. Code § 25118 to expand exemptions from usury law (CC)

Other Items of Interest: The May 30th , June 6th and June 13th editions of the *Sacramento Scene* bulletin are enclosed.

Upcoming Events: (1) August 9-11, the American Bar Association Business Law Section Consumer Financial Services Committee will hold its annual meeting at the Fairmont Hotel, San Francisco; (2) We have the Lanai Deck of the Anaheim Hilton Hotel reserved for our Committee Reception to be held Friday, September 5, 6:00 – 8:00 p.m.; (3) Section Education Institute in Santa Monica January 23-25, 2004).

Please try to join us in person for our June meeting.

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HC/41569 - 2 -